

weekly economic review

June 21, 2013

Population

Alberta's population surges

Alberta led all provinces in population growth in the first quarter of 2013, recording its highest year over year growth rate since 1982. Compared with the first quarter 2012, the population grew by 3.2%. The province has continued to attract migrants from all other provinces and from abroad. Between January 1 and March 31 the province gained 13,400 net interprovincial migrants (see chart) and 13,700 net international migrants.

Consumer Price Index (CPI)

Inflation in Alberta jumps up

Alberta's year over year consumer price inflation increased 1 percentage point to 2.3% in May, the highest inflation in 16 months. Natural gas prices (+75.8%) and shelter costs (+5.7%) contributed the most to the higher inflation reading. Gasoline price inflation also accelerated, rising to 1.6% from -7.4% in April. Excluding the volatile energy component, inflation remains relatively subdued at 1.4%.

Nationally, CPI inflation was only 0.7% in May, well below the Bank of Canada's target of 2%, but up from 0.4% in April.

Resale Housing Market

Alberta resale home market remains in seller's territory

Sales of existing homes in Alberta edged up to 5,337 in May, a 2.8% increase over last year. The market stayed in seller's territory with the sales-to-new listings ratio remaining at 0.60 for the second straight month. May's relatively few listings, low inventories and rising prices are all characteristic of seller's market conditions.

The average resale home price reached \$376,416 in May, up 3.1% from May 2012. May's uptick was driven in large part by a 3.3% gain in Calgary. Meanwhile, the national resale market continues to cool. Canadian sales dropped on a year-over-year basis for the eleventh straight month (-3.3%), although average resale prices still rose by 3.4% over the same period.

Retail Sales

Sales from car dealers jump

Retail sales in Alberta bounced back in April, increasing by 1.6%. The year over year gain in retail sales accelerated to 6.6%, well above the 1.5% national increase. Sales from motor vehicle dealers led the gains, surging by 31.0% compared with April 2012.

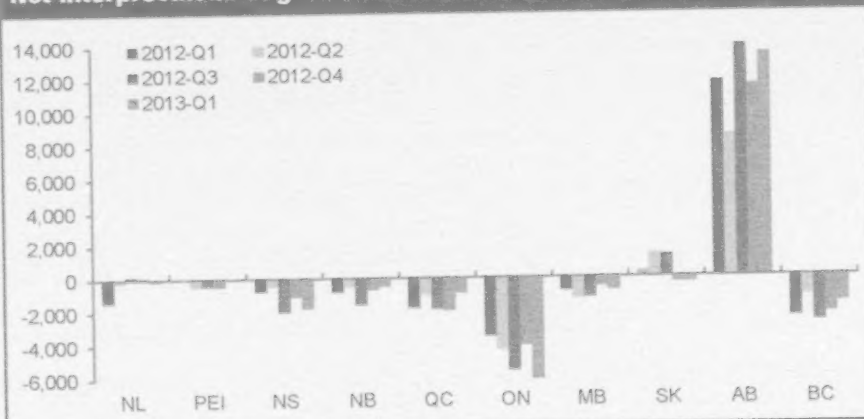
Job Vacancies

Alberta's job vacancy rate remains second highest among provinces

The job vacancy rate, which measures the number of job openings for every job in demand, averaged 2.5% in the first quarter of 2013, the second highest rate among provinces and a full percentage point above the national average. Over the same period, there were 2.3 unemployed people for every job opening in Alberta.

Nationally, job vacancy rates ranged from 0.9% in Newfoundland to 2.6% in Saskatchewan and unemployment-to-job-vacancies ratios ranged from 21.8 in Newfoundland to 1.9 in Saskatchewan. Alberta's relatively high job vacancy rate and low unemployment rate has contributed to strong in-migration to the province.

Net interprovincial migration



Source: Statistics Canada

Closing Price	June 13, 2013	June 20, 2013	2013-14 Fiscal YTD
Canadian Dollar (US\$/CAN)	98.33	96.27	98.01
WTI Oil (\$US/bbl)	96.69	95.40	94.03
NYMEX Natural Gas (\$US/MMBtu)	3.81	3.85	4.03

Alberta Economic Indicators

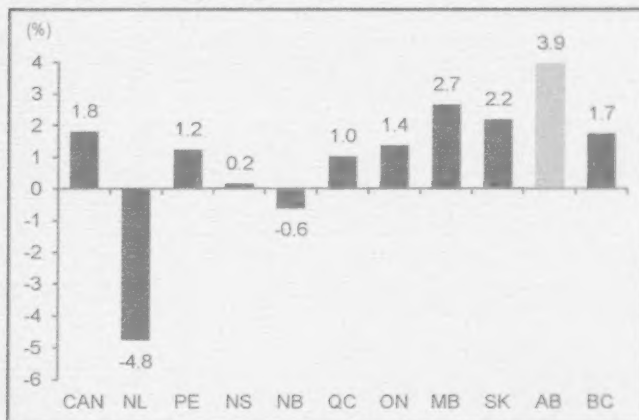
Population	2011	2012	2013YTD	Dec	Jan	Feb	Mar	Apr	May
NEW: Population (000's)	3,770	3,874	3,965	—	3,931	—	—	3,965	—
y/y % change	1.5	2.5	3.0	—	3.0	—	—	3.2	—
NEW: Net Interprovincial Migration ¹	8,443	28,170	35,886	—	11,533	—	—	13,438	—
NEW: Net International Migration ¹	16,703	37,990	30,779	—	6,296	—	—	13,674	—
NEW: Net Non-permanent Residents ¹	7,604	9,721	9,762	—	1,133	—	—	6,949	—
Labour Market									
Employment (000's), SA	2,094	2,150	2,181	2,165	2,175	2,179	2,168	2,183	2,201
y/y % change	3.8	2.7	2.1	1.5	1.9	2.5	1.7	1.9	2.3
Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.5	4.5	4.8	4.4	4.8
Participation Rate (%), SA	73.7	73.4	72.8	72.9	72.9	72.9	72.6	72.5	73.3
Average Weekly Earnings (\$), SA	1,035.75	1,072.98	1,098.18	1,095.14	1,083.82	1,099.51	1,111.20	—	—
y/y % change	4.4	3.6	4.0	3.9	3.0	4.5	4.6	—	—
Price Indices									
NEW: Consumer Price Index (y/y % change)	2.4	1.3	1.0	0.0	-0.5	0.9	1.2	1.3	2.3
Excluding food and energy	0.8	1.3	1.1	1.1	0.8	1.4	1.2	0.9	1.1
Non-Fin. Building Cons. Price Index ² (y/y % change)	3.4	3.8	1.4	3.0	—	—	1.4	—	—
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	3.9	4.1	5.2	4.4	—	—
Crops	18.7	6.5	9.3	6.8	8.7	9.8	9.3	—	—
Livestock	16.9	6.2	0.2	1.5	-0.2	1.1	-0.1	—	—
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.3	30.2	31.0	35.3	34.7	39.0	41.4
y/y % change	-5.1	29.9	8.8	5.5	18.3	10.4	1.9	-1.7	23.6
New Housing Price Index ² (y/y % change)	0.4	-1.3	2.4	1.9	2.2	2.6	2.4	2.5	—
Edmonton	0.9	0.9	0.7	1.0	0.9	1.0	0.6	0.4	—
Calgary	-0.1	1.7	4.1	3.1	3.3	4.3	4.3	4.7	—
NEW: MLS Average Resale Prices (\$ 000's)	352.7	362.0	375.8	372.2	367.6	380.1	380.4	374.6	376.4
y/y % change	0.5	2.6	4.7	5.2	6.6	4.5	5.0	3.5	3.1
Edmonton (\$ 000's)	324.2	332.7	343.1	345.9	337.6	344.0	348.9	345.5	339.5
y/y % change	-0.7	2.6	3.0	4.4	1.6	2.8	5.4	2.8	2.3
Calgary (\$ 000's)	401.9	410.8	427.9	436.0	422.5	436.7	433.8	420.4	426.2
y/y % change	1.1	2.2	6.2	8.3	12.4	5.7	6.3	3.8	3.3
NEW: Retail Sales, SA (y/y % change)	6.8	6.9	5.9	2.8	4.5	7.5	5.1	6.6	—
New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.5	-0.7	3.6	6.5	0.1	19.7	—
Consumer Bankruptcies	7029	5759	1287	346	446	412	420	—	—
y/y % change	13.8	-18.1	20.5	28.4	13.7	-22.7	24.5	—	—
Business Sector									
Rigs Drilling	286	250	303	287	368	422	306	115	88
y/y % change	30.4	12.6	-9.5	-16.6	8.2	-8.1	-9.4	-18.2	-0.0
Goods Exports, customs based (y/y % change)	18.4	1.8	1.5	13.1	1.3	2.0	1.5	1.4	—
Energy	19.2	2.1	1.6	-16.9	1.0	3.9	0.7	0.9	—
Farm, Fishing and Intermediate Food	27.2	20.6	2.2	20.0	3.8	6.7	5.3	-6.2	—
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	10.1	—	—	9.3	—	—
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-2.9	-5.8	-3.5	-1.0	-3.2	-3.8	—
NEW: Wholesale Trade, SA (y/y % change)	14.7	10.9	2.9	3.7	3.1	6.4	2.6	-0.5	—
Building Permits, SA (y/y % change)	11.8	14.8	22.9	-5.4	24.7	19.9	38.6	10.0	—
Residential	5.2	18.2	14.6	2.2	21.2	7.8	14.6	15.4	—
Non-residential	20.9	-10.7	33.5	13.0	30.6	36.1	72.1	5.0	—
Business Bankruptcies	264	230	36	16	10	14	12	—	—
y/y % change	-30.2	-12.9	-43.8	-11.1	-50.0	-44.0	-36.8	—	—

¹ Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
² Quarterly; average of Calgary and Edmonton
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 YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

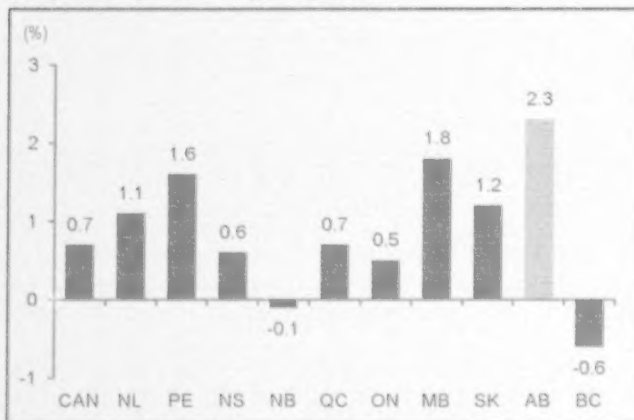
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

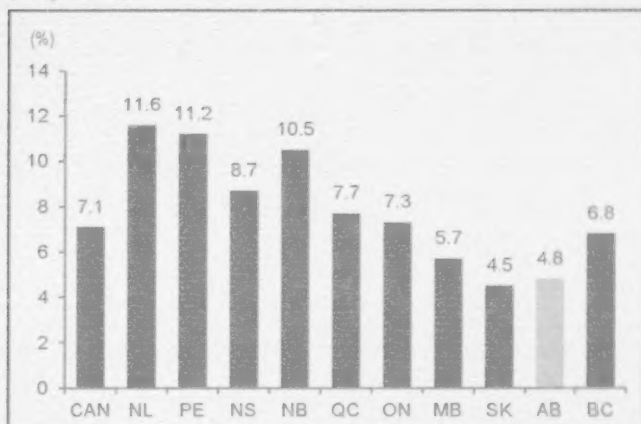
Real GDP by Industry
(2012, year-over-year growth)



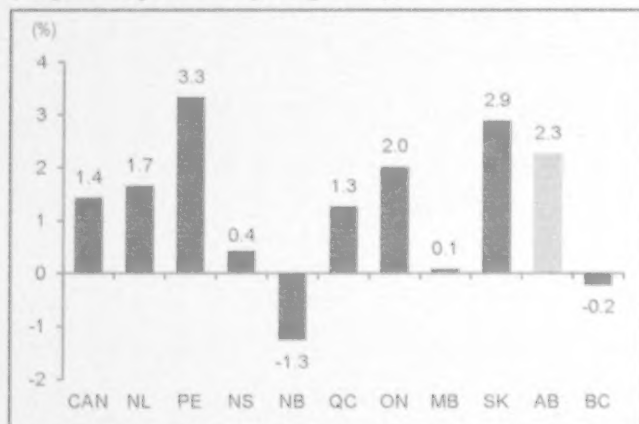
CPI Inflation
(May 2013, year-over-year growth)



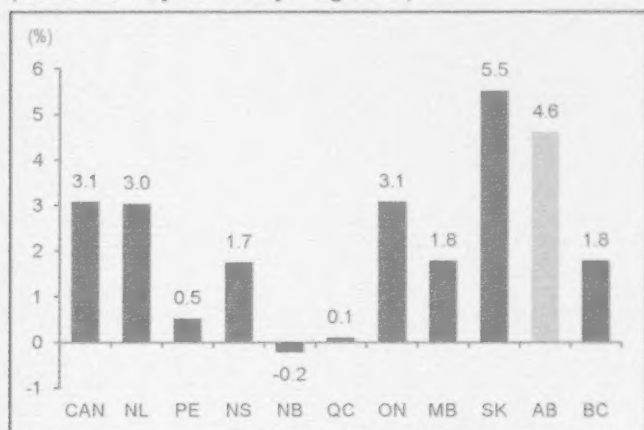
Unemployment Rate
(May 2013)



Employment
(May 2013, year-over-year growth)



Average Weekly Earnings
(March 2013, year-over-year growth)



Housing Starts
(May 2013, SAAR, year-over-year growth)

